

FACTORS AFFECTING CULTURE OF SMALL SCALE ENTERPRISES IN MASENO SUB-COUNTY, KISUMU COUNTY, KENYA

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DECLARATION

Declaration by the candidate

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DEDICATION

This project report is dedicated to my family members who have been patient with me as I endeavor to achieve my goals.

ACKNOWLEDGEMENT

I wish to thank my supervisor Dr. Leonard Wambua who worked closely with me to ensure I finish my project. I gladly appreciate the Management University of Africa and the entire staff for their support without which I would not have come up with this kind of write up. The small and medium enterprises owner and operators of Maseno will not be forgotten for their responses for the study and cooperation they accorded me. May the blessing of the Lord be with them all.

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LIST OF ABBREVIATIONS

| | |
|--------------|--------------------------------------|
| GDP | Gross Domestic Product |
| ICT | Information Communication Technology |
| SME's | Small and Medium~sized Firms |
| USA | United States of America |

OPERATIONAL DEFINITION OF TERMS

| | |
|------------------------------|---|
| Business culture | Accumulation of believes principles and behavior outline that shape the unique and identical recognition for the organization |
| Business Performance | Is the overall business achievements based on profit generation service delivery and the human financial capital and other resources it possesses |
| Employee empowerment: | Is the process of giving the employees the power to perform their duties in a required manner and defined principles of an organization |
| SME' effectiveness: | Is the Organization ability to cope survives and make progress under circumstances. |
| Culture: | Is the collective thinking of minds which create a difference the numbers of one group from another |

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ABSTRACT

The current study focuses on the culture of small and medium enterprises in Maseno Sub-County. Specifically it examined the effects of leadership on the culture of small and medium enterprises in Maseno Sub-County, determine the effect of education on the culture of small and medium enterprises in Maseno Sub-County, to access the effects of the environment on the culture of small and medium enterprises in Maseno Sub-County and to establish the effect of technology on the culture of small and medium enterprises in Maseno Sub-County. The study adopted a case study research design since it targeted small and medium enterprises in a particular locale on a case to case basis. The study targeted 120 small and medium enterprises registered under the single business permit at Maseno Shopping Centre as of 2017. The study sampled 92 respondents from the target population. Data was analyzed using inferential and descriptive statistics (mean test) then presented using frequency and percentage tables. The background information of the small and medium enterprises was also collected. This was in the quest to understand the small and medium enterprises so that generalization could be made with caution and great care. The study found that most of the small and medium enterprises seemed to take pride in using their leadership power to help team members grow this assertion is supported by a mean score of 3.49 showing that most of the respondents were in agreement with the same. The study found that management of small and medium enterprises made unilateral decisions citing it as a leadership role. This was strongly corroborated with the mean value of 3.36 which also suggested that indeed the agreement among the respondents was high on this aspect. The study also revealed that management of small and medium enterprises held meetings to get staff input on strategy setting. The mean score of 3.34 also confirmed that indeed most of the respondents agreed with this statement. The study found that the management in most of the small and medium enterprises consulted with the team when making decisions though maintained the final decision making authority. This was strongly corroborated with the mean value of 3.29 which suggested that most of the respondents were in agreement with this statement. The study concluded that there were various factors which positively and negatively influenced the culture of small and medium enterprises. It was a necessity for businesses that would like to attain efficiency and effectiveness. The study recommended that small and medium enterprises owners ought to put in position an adaptive culture that promoted the participation of employees as this would increase their responsiveness and pledge to the achievements of small and medium enterprises goals. The study recommended that future research be done on the elements of small and medium enterprises such as mission and vision in relation to organization culture.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.0 Introduction

This chapter is the introduction of the study. It presents the introduction, study background, problem statement, study objectives, research questions, study significance, study scope and summary of the chapter.

1.1 Background of the study

Small and Medium Enterprises play a crucial role to almost all economies in the world, but especially to those in developing states, (Soini and Veseli, 2011). Most of the business SME's especially the SME's do not recognize the need to formulate proper business culture style and therefore are just operating without a clear guideline thereby making the business organization highly vulnerable to failure. Culture helps in identifying the norms of a given society in their way of doing things and the results. A good practice is emulated by other communities' world over because of good results that come out of the culture. A bad practice is often discarded from propagation to the next generation. In our context we look at a bad business culture that includes bad spending, lack of records, work discipline, lack of courtesy in answering to clients and time management. These locations possess a negative impact on sustainability of businesses.

The concept of transformational leadership raises the level of integrity in others it is difficult to use this term when describing leaders such as neo-nazi leader Adolf Hitler, who was negatively transforming lives. Transformational leadership is concerned with improving the performance of followers and developing followers to their fullest potential according to (Avolio, 1999; Bass &

Avolio, 1990a). People who demonstrate transformational leadership often have a strong set of internal values and ideals and they are successful at motivating followers to act in ways that maintains the greater good rather than their own self-interests (Kuhnert, 1994).

Development readiness for an entrepreneur may be inclined by education directly and indirectly: directly because individuals with higher education are likely to have higher aspirations in general, and indirectly through more self-confidence in organizing enlargement and a better ability to spot growth opportunities. To the extent that expansion enthusiasm is associated with proactive attempts to gain market share, higher levels of educational contextual factors might be considered to be associated with higher levels of pro-activeness for the entrepreneur, and higher levels of earnings by means of this theorized effect as cited by (Davidsson, 1989).

At the fore front of major challenges lies the high unemployment rate among young people, which is estimated to be double the national level of unemployment of 12.7 percent in Kenya. Youths who have a job are often engaged in menial low-paying work. Gathitu's (2007), Kinyua's, (2014) did studies on SME performance. It is against this background that the current study examined the factors affecting culture of SME' in Maseno Sub-County, Kisumu County, Kenya.

1.2 Statement of the Problem

Most of the business SME's especially the SME's do not recognize the need to formulate proper business culture style and therefore are just operating without a clear guideline thereby making the business organization highly vulnerable to failure. Research studies have made it clear that there is an increased internal and external uncertainty due to emerging opportunities and threats. Many young SME's firm spends most of their time realizing and reacting to unexpected changes

and problems instead of anticipating and preparing for them. This vicious cycle locks many SME into a reactive posture. Various studies have focused on performance rather than culture of SME' as this current study has done, equally these studies were done in different parts of the country based on different objectives. Gathitu (2007), Mugo (2012), Kinyua (2014) have done studies focusing on small and medium enterprises in Kenya. The current study focused on what affects the culture of small scale enterprises in Maseno Sub-County.

1.3 Objective of the Study

The general objective of the study examined the factors affecting culture of small and medium enterprises in Maseno Sub-County, Kisumu County, Kenya

1.3.1 Specific Objectives

1. To establish the role of leadership on the culture of SME in Maseno Sub-County
2. To determine the role of education on the culture of SME in Maseno Sub-County
3. To assess the effects of the environment on the culture of SME in Maseno Sub-County
4. To examine the effect of technology on the culture of SME in Maseno Sub-County

1.4 Research Questions

1. What is the role of leadership on the culture of SME in Maseno Sub-County?
2. What is the role of education on the culture of SME in Maseno Sub-County?
3. What is the effect of the environment on the culture of SME in Maseno Sub-County?
4. What is the role of technology on the culture of SME in Maseno Sub-County?

1.5 Significance of the Study

The study is important to SME' owners in Maseno Sub-County in understanding the need to inculcate a consistent practice of doing business as a gainful engagement and the importance of making it a continuing habit or culture and their effects on the performance of SME's. The study was of significance to the policy makers and societies in exploring the economic competitiveness of cultural diversity. The study is of significant to policy makers in diversifying the cultural backgrounds of state employees at all levels of bureaucracy. The study was of importance to policy makers in supporting measures that sustain SME' growth and development.

1.6 Scope of the Study

Factors affecting culture of SME in Maseno Sub-County shaped the scope in terms of content for this study. Geographical scope for this study was carried out at Maseno shopping centre situated within Kisumu County, a long Kisumu Busia road. The study involved SME's in the area who provided both quantitative and qualitative information for the study. The study target population was 120 respondents; the time scope was in July 2017.

1.7 Chapter Summary

Culture helps in identifying the norms of a given society in their way of doing things and the results. A good practice is emulated by other communities' world over because of good results that come out of the culture. A bad practice is often discarded from propagation to the next generation. In our context we look at a bad business culture that includes bad spending, lack of records, work discipline, lack of courtesy in answering to clients and time management. These locations possess a negative impact on sustainability of businesses. A business must have direction in form of objectives and stick to standard practices that work and produce value. A

case of Maseno shopping centre brings out the need a business culture that transits generations to see sustainability in business models.

CHAPTER TWO

REVIEWED LITERATURE

2.0 Introduction

This chapter addresses the literature review which provides the user with explanation of the theoretical rationale of the problem being studied and the researchers study and findings and how they relate to the prevailing problem.

2.1 Leadership on Culture of Small Scale Enterprises

James MacGregor Burns (1978) attempts to link the function of leadership and followership in his work. Burns stated that leaders were people who tapped the motives of supporters in order to better achieve the goals of leaders and supporters (p. 18). Leadership according to Burns is quite dissimilar from power in that it is inseparable from followers' needs. Burns was able to differentiate two types of leadership this were transactional and transformational. Examples cited here by Burns were of politicians who win votes from the electorate by promising them no new taxes, this according to him were an example of leaders demonstrating transactional leadership. On the other hand managers who offered promotions to employees who had excelled at work were exhibiting transactional leadership. Teachers also would be considered as

transactional leaders while offering their students grades for work completed in school. The exchange dimension as cited by Burns of transactional leadership is very common in the day to day life and can be observed at many levels throughout all types of SME's.

2.2 Education on Culture of Small Scale Enterprises

Business that employ between 10~49 and 50~99 people are considered as SME respectively. KRA (2007) noted that SME manufacturing enterprises in Kenya's manufacturing sector are defined as enterprises with fulltime employees not exceeding 100 or annual sales turnover not more than Ksh 150 million. The fundamental contributions of SME's in Kenya include improved output of goods and services and expansion of a pool of skilled and semi skilled labor force, which is expected to be a base for future industrial growth according to KRA (2007). Further they have also shaped opportunities to nurture entrepreneurial and managerial skills of the country. Azende (2012) has noted that SME's may look small or inconsequential but are actually the base of any economically stable nation. One of the flagship projects for manufacturing in 2017 was to create at least 5 small and medium enterprises industrial parks in the country.

Different types of skills are cultured more easily and these are more suited to on-the job learning, but other skills are more suited to learning over extended periods of prolonged specialization in a tertiary institution environment and the growth of yet other skills requires both specialization and experience as cited by (Becker, 1993). Having entrepreneurial role models that may increase the probability of entrepreneurship being manifested by an individual as cited by (Brockhaus, 1980). According to Brockhaus (1980) the extent of having entrepreneurial role representation might characterize some form of contextual connection for the individual, entrepreneurial orientation can therefore be formed by factors relating to SME framework.

2.3 Environment on Culture of Small Scale Enterprises

SME's engage visibly to the recreation of jobs and subsequently improve the employment rate of a country. The most evident public benefit of SME expansion is the input made by SME's to employment creation. A large number of studies carried out in various states have concluded that SMEs are important when it comes to job creation according to (Dobbs and Hamilton, 2007). Understanding what affects SMEs decisions to expand is significant because SMEs are important for economic development, employment creation and poverty mitigation. In fact, Beck, Naresh and Yen (2006) demonstrate that states with larger share of SME's in the manufacturing industry grow faster. In Sub Saharan Africa, SME's are considered to be the most important income provider a proliferation ground for entrepreneurs and a contributor of employment (UNIDO Report, 2003).

2.4 Technology on culture of Small Scale Enterprises

Information is power to the enterprises. Be it technological or market information is important to SME's to cope up and to overcome different restrain factors as cited by (Cascio, 2001). According to Assefa (1997), small scale enterprises have difficulties in gaining access to appropriate technologies information on available techniques. The important contribution that IT has made to SME, many studies show that there are a huge number of unsuccessful IT implementations in SME's and that the adoption rate is very slow, Ahmed *et al.*, (2010). In fact the rate of acceptance and deployment of IT by SME's is slow but it is increasing with the passageway of time as more and more SME's are appreciating the need of IT. So, IT variable is not compressively studied under this study to examine innovation barriers.

2.5 Research Gaps to be filled by the Study

Various research studies both locally and internationally have been carried out reviewing SME' growth and development however culture of SME' has not been investigated. These research studies focus on SME's in Towns. Therefore, the study built on the local literature on the factors affecting culture of SME'. The scanty availability of consistent and compelling information is the key barriers in understanding SME's in the rural Kenya. This study built on the locally scarce available data. This therefore formed the gap that this study sought to address.

2.6 Conceptual Framework

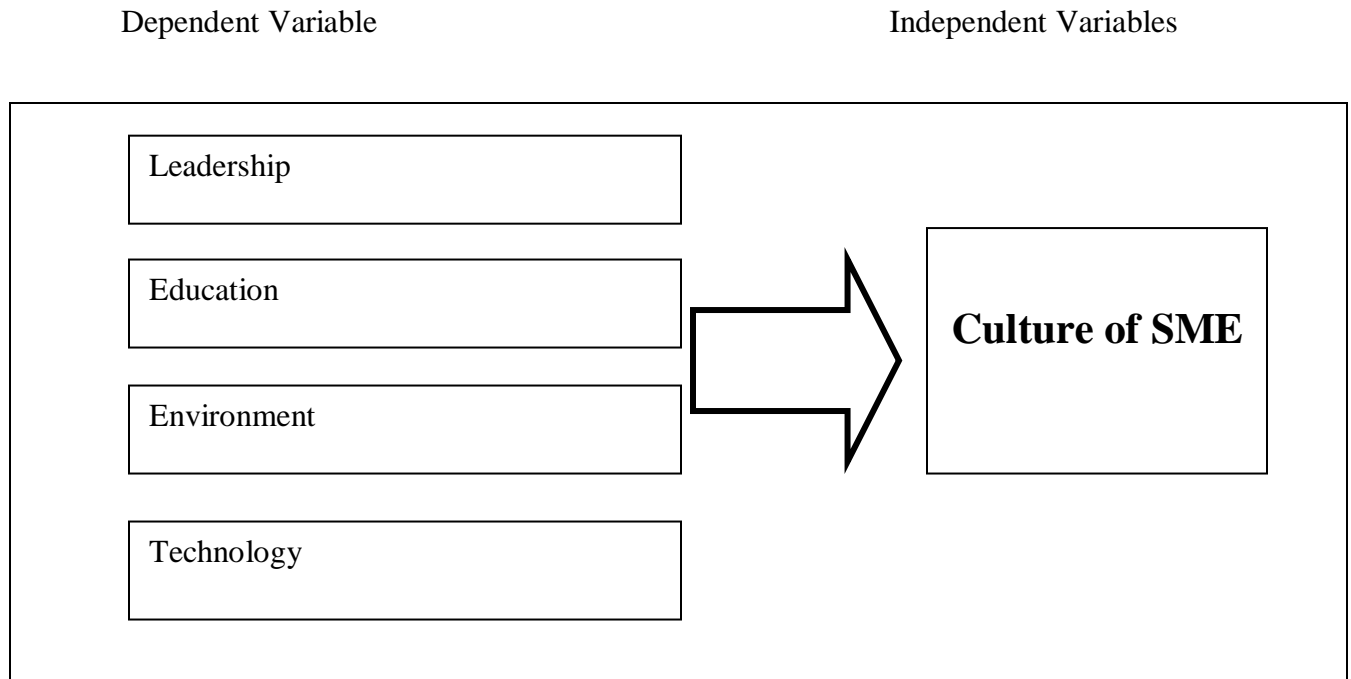


Figure 2. 1: Conceptual framework on factors affecting culture of small scale enterprises

Source: Author (2017)

2.6.1 Operationalization of variables

According to figure 1, SME' performance in this case is an autonomous variable and the dependent variable is culture of SME'. Leadership, Education, Environment and Technology will affect the culture of SME' by empowering employees and ensuring SME' effectiveness.

2.7 Chapter summary

There exists the way things are done in organisations that promotes productivity or retards productivity. World over there are culture of SME's that have failed and those that have succeeded. Best practices must be encouraged in organisations to realise value. Small and micro enterprise performance is dependent upon culture of SME's, employee empowerment and business orientation. These variables if objectively observed are able to improve on the culture of SME's.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This section focused on the research design, population, sampling techniques, sample size, data collection instruments and procedures for data collection as well as validity and reliability of instruments to be used during the study and data analysis method.

3.1 Research Design

Njenga together with Kabiru (2008) a case study is an in depth look at the individual or a single entity and Paton (2006) stipulates that a case study describes a unit in content and wholesomely. A case study became practically important when one can identify a case rich for both in information and in the sense that a lot can be learned from a few examples of the phenomena. Case study research design since it targeted small and micro~enterprises businesses in Maseno Shopping Centre. The qualitative and quantitative method of data collection was adopted so as to explore and obtain viable data.

3.2 Target Population

The study targeted 120 SME's registered under the single business permit at Maseno Shopping Centre as of 2017. SME's were stratified into sectors as; Tied shop business, Street retailing, Hawking, Mobile shop business and Market place business.

3.3 Sampling Technique

Purposive sampling was used to identify 92 SME's in Maseno Sub County which were operating at the time of the study. The SME's were then clustered according to the nature of the business. Proportionate random sampling was done within each cluster to sample a total of 92 SME's which were the units of analysis. This ensured that all SME's in each cluster were given equal opportunity to be included in the study and that data collected would be representative across the target SME's. Purposive sampling was used since business owners work as a network and are difficult to identify in the area of study. Krejcie & Morgan table was used as the basis for sample size determination. The study sampled 92 respondents from the target population.

Tables 1: Sample Frame

| Clusters | Target | Sample size | Percentage (%) |
|-----------------------|---------------|--------------------|-----------------------|
| Tied shop business | 26 | 20 | 22% |
| Street retailing | 29 | 22 | 24% |
| Hawking | 19 | 15 | 16% |
| Mobile shop business | 24 | 18 | 20% |
| Market place business | 22 | 17 | 18% |
| TOTAL | 120 | 92 | 100% |

Source: Author (2017)

3.4 Data collection instruments

Data collection was based on the field visits to Maseno Shopping Centre and use of observation, questionnaires and interview schedules. The interview questionnaires were designed and pre tested for minor adjustments and corrections to clarify some questions and ensure that relevant information is gathered. The researcher used observation to learn about things that the

respondents were not aware of and not willing to discuss in the interview or as regards the activities of their businesses towards their provision of employment to the labor force. Questionnaires were administered to the business owners and their employees who were able to read and write.

3.5 Pilot study

A pilot study is carried out on a representative population that is relevant, however this population will not form part of the final sample (Haralambos and Holborn, 2000). The researcher employed convenient sampling technique at Luanda Shopping Centre and its environs, a total of 10 respondents were employed to test the data collection tools that were adopted namely interview guides and Questionnaires. This sampling technique was preferred by the researcher because they were fast, inexpensive, easy and the subjects were readily available.

3.5.1 Validity of the instruments

According to Kothari (2004), a measuring instrument is reliable if it provides consistent results. This means that the instrument should give the same results if administered repeatedly. This study used internal consistency technique to ensure reliability. According to Mugenda and Mugenda (2003) state that in this approach, a score attained is associated with other scores attained. Cronbach's coefficient alpha (KR20) was then computed to determine how items correlate among themselves. The formula was as follows:~

$$KR20 = \frac{k (S^2 - \sum S^2)}{S^2 (k - 1)}$$

Where k = Number of items used to measure the concept

S² = Variation of all scores

S² = Variation of individual items

Uma (2006) observes that reliability coefficient of 1.0, is better.60 is deemed to be poor.70 acceptable, and over .80 excellent. This current study obtained a range of .78 therefore considered acceptable.

3.5.2 Reliability of the instruments

Content reliability with regard to the data collection tools was ascertained through peer review and scrutiny by the study supervisor, to ensure that the content in the questionnaire was appropriate and relevant to the study as recommended by Kothari (2004). According to Sekaran (2006), a team of adjudicators can confirm to the content reliability of the instrument. The data collection tools were deemed to be reliable at Cronbach's Alpha of .701 as cited by (Norland, 1990).

3.6 Data Collection Procedures

School of Post Graduate Studies at Management University of Africa gave the researcher permission to carry out the study. Once permission was granted the researcher sought authority from the County government of Kisumu to collect data from the field. The researcher then sought audience with the respondents on their availability to provide data for this study while informing them on the need of the study and details in the questionnaires.

3.7 Data Analysis and Presentation

Organizing the data is part of data analysis, breaking the data into categories and units and then searching for trends and patterns before deciding to report. Quantitative and qualitative data obtained were coded and clustered for subsequent statistical analysis. Raw data was coded sequentially based on the research objectives for purposes of analysis. The data collected was used to ascertain patterns, trends and relationship of the variables in the research study.

Microsoft Excel as well as (SPSS version 20) were used as tools in data analysis, and presented in tables. The number of respondents who answered to a particular option were recorded in one column and percentage calculated and recorded in another column. The strength of percentages indicated the preferred response.

Inferential and descriptive statistics (mean test) were employed to analyze the data then illustrated using frequency and percentage tables. Linear regression analysis was adapted to analyses variables on the factors affecting culture of SME's in Maseno Sub~County. Inferential statistics was used to determine the degree of association between the selected factors (Leadership, Education, Environment and Technology) and Culture of SME'. Linear regression equation used was is shown below:

$$P = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where: P represents Culture of SME'

α is the autonomous variable

β Slope or the contribution of selected factors to Culture of SME'.

$X = (X_1, X_2, X_3, X_4)$ is the measure of selected factors by index

X_1 is Leadership style

X_2 is Education

X_3 is Environment

X_4 is Technology

ϵ is the error term.

Results from quantitative data were presented by use of frequency distribution in form of frequencies and percentage tables.

3.8 Ethical considerations

The researcher was not only concerned with the benefits of the research findings but also looked at the rights of subjects or participants in the research process. The philosophy of informed

consent is that the participants in research must make their decision to participate based on adequate knowledge. The researcher kept from the public certain information by safeguarding the privacy and confidentiality of the participants. The researcher obtained all the relevant permits from the University and Kisumu County government to ensure that the study was sanctioned as required.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

The section discusses introduction to research findings, presentation of research findings, study limitations and summary of the chapter.

4.1 Presentations of the findings

Study findings represented as per the study objectives starting with the demographic information. It must be noted that all the survey were returned answered, representing a response rate of 100%. The surveys were presented to the respondents on an individual basis to boost the responses given. The study attained responses of 100%, calculated as follows:

Response Rate =

$$\frac{(N) \text{ valid responses} * 100}{\text{Total number approached}}$$

Response Rate =

$$\frac{92 * 100}{92}$$

=100%

This indicates that all the selected respondents participated in the study.

4.1.1 Demographic formulation

Respondents profile was considered with regard to sex, age and highest educational rank of respondents whereas the characteristics of the organization were considered in terms of type of industry, ownership, trade status and length of firm existence. The demographic characteristics of the respondents were all collated into a single table and are depicted below:

Table 4. 1: Respondents Demographics

| Variable | Frequency (n= 92) | Percent (%) |
|-------------|-------------------|-------------|
| Age: | | |
| <18 | 8 | 8 |
| 19~24 | 18 | 20 |

| | | |
|-------------------------|----|----|
| 25~30 | 32 | 35 |
| 31~36 | 23 | 25 |
| ≥ 37 | 11 | 12 |
| Sex: | | |
| Female | 34 | 37 |
| Male | 58 | 63 |
| Level Education: | | |
| Masters | 4 | 4 |
| Degree | 12 | 13 |
| Diploma | 32 | 35 |
| KCSE | 36 | 39 |
| KCPE | 8 | 8 |

Source: Field Survey (2017)

Table 4.1 depicts the number of the female respondents which was thirty seven percent (37%) which is lower than that of the male which was sixty three per cent (63%). Only twelve percent (12%) of the respondents fell within the 37 bracket. (25%) were between 31~36 years old. Out of the hundred respondents, Thirty five percent (35%) were 25 years or below.

Also, the respondents were asked for their educational levels and the research shows four percent (4%) of the total respondents were masters ‘degree holders. The survey indicates that most of the respondents were diploma holders and they constituted thirty five percent (35%) of the total respondents. About thirteen percent (13%) of the total respondents were degree holders. Also thirty nine percent (39%) of the respondents had their highest qualification being KCSE (Kenya Certificate of Secondary Education) while eight percent (8%) had (Kenya Certificate of Primary Education).

4.1.2 Background Characteristics of the SME's

The background information of the SME's was also collected. This was in the quest to expand a deeper understanding about the SME's being studied so that generalization could be made with caution and great care. This is shown below:

Table 4. 2: SME's backdrop

| Characteristic SME' | Categories | Frequency | Percent |
|----------------------------|-----------------------|------------------|----------------|
| Type of Industry | Hawking | 16 | 17 |
| | Mobile Shop Business | 24 | 26 |
| | Market Place Business | 32 | 35 |
| | Trading | 12 | 13 |
| | Tied Shops | 8 | 9 |
| | Total | 92 | 100 |
| Type of Ownership | Kenyan Owned | 92 | 100 |
| | Foreign Owned | ~ | |
| | Kenyan~Foreign Owned | ~ | |
| | Total | 92 | 100 |

| | | | |
|--------------------|--------------------|-----------|------------|
| Trade Status | Registered | 44 | 48 |
| | Non~registered | 48 | 52 |
| | Total | 92 | 100 |
| Years of Existence | 5 years and Below | 48 | 52 |
| | 5~10 Years | 32 | 35 |
| | 10 Years and Above | 12 | 13 |
| | Total | 92 | 100 |

Source: Field Survey (2017)

SME's situated at the market place constituted thirty five percent (35%) of the total respondents. SME's in the mobile shop business twenty six percent (26%), Hawkers were seventeen percent (17%), Traders were thirteen percent (13%) while tied shops nine percent (9%).

Ownership of SME's in Maseno Sub County was dominated by Kenyans by hundred percent (100%). The Trade status depicts that forty four percent of the SME's were registered while forty eight percent (48%) were not registered.

Out of the 92 respondents fifty two percent (52%) of them answered that their firms have been in existence for less than 5 years. A simple majority of thirty five percent (35%) had their firms being in existence for more than 10 years. The number of respondents that had their firms existing above 10 years was thirteen percent (13%).

4.2 Effects of leadership on culture of SME'

The first research objective of this study inquired from the respondents the role of leadership on Culture of SME'.

Table: 4. 3 Leadership on Culture of SME'

| Leadership | N | Mean | Median | Mode | Std Deviation |
|---|----------|-------------|---------------|-------------|--------------------------|
| Management of SME's does consult with the | 92 | 3.29 | 3.5 | 5 | 1.4 |

| | | | | | |
|---|----|------|-----|---|-------|
| team when making decisions on projects | | | | | |
| Management of SME's use meetings to get staff input on strategy setting. | 92 | 3.34 | 4 | 4 | 1.219 |
| Management of SME's takes pride in using their leadership power to help our team members grow. | 92 | 3.49 | 4 | 5 | 1.384 |
| Management of SME's reminds us that they will make all decisions because that is a leadership role. | 92 | 3.36 | 3.5 | 5 | 1.362 |
| Management of SME's asks staff members for ideas and input on upcoming plans. | 92 | 3.09 | 3 | 5 | 1.474 |

Source : Field Survey (2017)

Table 4.3 depicts the results on the role of leadership on Culture of SME'. As the results show, the study found that most SME's seemed to take pride in using their leadership power to help team members grow this statement is sustained by a mean score of 3.49 showing that most of the respondents were in agreement with the same.

The study found that management in SME's made unilateral decisions citing it as a leadership role. This is strongly corroborated with the mean value of 3.36 which also suggests that indeed the agreement among the respondents was high on this aspect.

The study also revealed that management of SME's held meetings to get staff input on strategy setting. The mean score of 3.34 also confirms that indeed most of the respondents agreed with this statement.

The study found that the management in most SME's consulted with the team when making decisions though maintained the final decision making authority. This is strongly corroborated with the mean value of 3.29 which suggests that most of the respondents were in agreement with this statement.

During the interview sessions one of the respondents stated that'

“ In order for one to make progress as an SME', leadership and discipline are very key factors to consider”.

The regression model with leadership as the moderating variable is presented on the Table 4.4 with Model 1 representing a regression of the leadership as the independent variable. The Summary Model reveals that the leadership contribute 80% and this contribution is statistical important.

Table 4. 4 : Summary Representation

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------------|-------------|-------------------|----------------------------|
| 1 | .865136123 ^a | . 830464731 | .8034 | 8.57845 |

a. Predictors: (Constant), LS(Leadership)

Source : Field Survey (2017)

The Model was tested via ANOVA and the value of Adjusted R square. Table 4.4 shows that on average model provide reasonably good explanation (value of adjusted R square) which is up to

80%. Whereas table 4.5 depicts result of ANOVA test, the sig value is less than 0.05 as well as F value (19) is also significant showing that ANOVA test is significant. The ANOVA result signifies the model fit for Regression.

Table 4. 5 :ANOVA

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|--------|
| 1 Regression | 25. 765 | 7 | 17.954 | 19.324 | 0.0001 |
| Residual | 14. 737 | 37 | .929 | | |
| Total | 40.502 | 44 | | | |

a. Predictors (Constant), Leadership

b. Dependent Variable: Culture of SME'

Source : Field Survey (2017)

Table (4.5) depicts that the variation is important as shown by the F value (F= 19.324; P <0.001) the ANOVA analysis indicates that there is an association with the dependent variable. Since the F ratio is very considerable, even though, the variance explained 80% in this circumstance, it should be noted that there may be several variables that could have influenced Culture of SME' that need to be studied.

Table 4. 6: Coefficients

| Model | Unstandardised Coefficients | | Standardised Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 3.195 | 1.974 | | 1.865 | .000 |
| LS | .205 | .108 | .136 | 2.015 | .001 |

| Model | Unstandardised Coefficients | | Standardised Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 3.195 | 1.974 | | 1.865 | .000 |
| LS | .205 | .108 | .136 | 2.015 | .001 |

a. Dependent Variable: OC

Source: Field Survey (2017)

In the above model, t value is significant for leadership as an independent variable. The sig value (0.001) beta coefficient of leadership (LS) is less than 0.05 which shows its significance. The above Regression equation indicates that Culture of SME' is affected positively by leadership as depicted by the coefficient positive sign.

4.3 The role of education on the culture of SME'

The second research objective tackled the role of education on the Culture of SME' the results are depicted below;

Table: 4. 7 The role of education on the culture of SME'

| Role of Education | N | Mean | Median | Mode | Std. Deviation |
|---|----|------|--------|------|----------------|
| The culture of SME's is that management helps staffs to develop themselves considering their strengths. | 92 | 3.51 | 4 | 4 | 1.326 |
| The culture of SME's is that management re-examine decisions made to question whether they are appropriate. | 92 | 3.37 | 4 | 4 | 1.394 |
| The culture of SME's is that management talks optimistically about the future with fellow | 92 | 3.78 | 4 | 5 | 1.261 |

staff.

| | | | | | |
|--|----|------|---|---|-------|
| The culture of SME's is that management considers the behaviors consequences of decisions they make. | 92 | 3.44 | 4 | 5 | 1.367 |
|--|----|------|---|---|-------|

| | | | | | |
|---|----|------|---|---|-------|
| The culture of SME's is that management tells us what has to be done and how best to accomplish it. | 92 | 3.34 | 4 | 5 | 1.391 |
|---|----|------|---|---|-------|

Source : Field Survey (2017)

Table 4.7 depicts the results on the role of education on the Culture of SME'. As the results show, the study found out that, SME's managers talk optimistically about the future with fellow staff. This assertion is represented by a mean score of 3.78 showing that most of the respondents were in agreement with the same.

The study found that SME's management helps staffs to develop themselves considering their strengths, this is strongly corroborated with the mean value of 3.51 which also depicts that the agreement among the respondents was high on this aspect.

The study also revealed that SME's management considers behaviors consequences of their decisions. The mean score of 3.44 also confirms that most of the respondents agreed with this statement.

The study found that the culture of SME's management was to re-examine decisions to question whether they were appropriate, this was strongly corroborated with the mean value of 3.37.

During the interview session one respondents stated that"

“SME’ Education is very necessary for one to stay afloat especially education touching on the financial aspects of managing SME’ account books, most SME’s fail because poor management of accounts”

The regression model with customer perspective as the moderating variable is presented on the Table 4.8 with Model 1 representing a regression of the role of education as the independent variable. The Summary representation reveals that the customer perspective contributes 72% and this contribution is statistical important.

Table 4. 8 : Summary Representation

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------------|-------------|-------------------|----------------------------|
| 1 | .936511236 ^a | . 718576031 | .07234 | 9. 89709 |

a. Predictors: (Constant), Education

Source: Field Survey (2017)

The Model was tested via ANOVA and the value of Adjusted R square. Table 4.8 shows that on average model provide reasonably good explanation (value of adjusted R square) which is up to 72%. Whereas table 4.9 depicts the result of ANOVA test, the sig value is less than .05 as well as F value (18) is also significant showing that ANOVA test is significant. The ANOVA result signifies the model fit for Regression.

Table 4. 9: ANOVA

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------|
| 1 | Regression | 19. 694 | 8 | 126.245 | 18.429 | .0001 |
| | Residual | 29. 628 | 24 | 93.557 | | |
| | Total | 49.322 | 32 | | | |

- a. Predictors (Constant) Education
- b. Dependent Variable: Culture of SME'

Source : Field Survey (2017)

Table (4.9) depicts that the F value ($F = 18.429$; $P < 0.001$) is significant as indicated, an assessment of the Summary representation in combination with ANOVA shows the most likely variation of variables that could give to the association with the dependent variable. The F ratio is important even though the variance explained 72% in this circumstance, it should be distinguished that there may be several variables that could have influenced culture of SME' and they need to be studied.

Table 4. 10: Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 2.915 | 1.762 | | 3.435 | .000 |
| E | 1.024 | .083 | .103 | 8.419 | .004 |

- a. Dependent Variable: OC

Source : Field Survey (2017)

t value is significant for education as an independent variable. The test is significant for the beta coefficient of Education (E) since the sig value (0.004) of the model is less than 0.05; the question is accepted which shows that there is significant relation between Education (E) and Culture of SME' (E). The positive sign of beta coefficient validates a positive influence of Education on Culture of SME'.

4.4 Effects of the environment on the culture of SME'

The third research question indicates the effects of the environment on the organization culture, the results are presented below 4.11

Table: 4. 11 Effects of the Environment on the Culture of SME'

| Effects of the Environment | N | Mean | Median | Mode | Std. Deviation |
|---|----|------|--------|------|-------------------|
| SME' management does not have time to consider suggestions made by staff. | 92 | 3.37 | 4 | 5 | 1.412 |
| SME's management closely monitors competitors to ensure we are not left out of business. | 92 | 3.49 | 4 | 5 | 1.408 |
| SME' management knows we will exercise self~direction because we are committed to the objectives. | 92 | 3.61 | 4 | 5 | 1.431 |
| SME' management expects us to follow directions and to meet goals that have been set for us. | 92 | 3.51 | 4 | 5 | 1.362 |
| SME' management allows us to set priorities with their guidance. | 92 | 3.68 | 4 | 5 | 1.225 |

Source : Field Survey (2017)

Table 4.11 As the results on the role of the environment on the organization culture of SME''s depict, the study found that SME's management allowed their staff to set priorities with their guidance. This assertion is represented by a mean score of 3.68 showing that most of the respondents were in agreement with the same.

The study established that SME' management allowed staff to exercise self~direction because they were committed to the objectives of the SME', this assertion depicts a mean value of 3.61 indicating agreement among the respondents on this aspect.

The study also revealed that SME's management expected staff to follow directions and meet goals that had been set. The mean score of 3.51 also confirms that most of the respondents agreed with this statement.

The study found that the SME's management closely monitored their competitors to ensure there were not left out of business; this was strongly corroborated with the mean value of 3.49.

During the interview session one respondents stated that “ It is important to survey the business environment if one wants to be competitive most especially when you gauge the emerging trends on the SME' sector as a whole”.

The regression model with Internal processes perspective as the moderating variable is presented on the Table 4.12 with Model 1 representing a regression of the environment as the independent variable. The Summary Model reveals that the environment contributes 64% and this contribution is statistically important.

Table 4. 12: Summary Representation

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------------|-------------|-------------------|----------------------------|
| 1 | .735163612 ^a | . 638560713 | .06481 | 7. 98079 |

a. Predictors: (Constant), Environment

Source: Field Survey (2017)

The Model was tested via ANOVA and the value of Adjusted R square. Table 4.12 shows that on average model provide reasonably good explanation (value of adjusted R square) which is up to

64%. Whereas 4.13 depict the result of ANOVA test, the sig value is less than 0.05 as well as F value (18) is also significant showing that ANOVA test is significant. The ANOVA result signifies the model fit for Regression.

Table 4. 13: ANOVA

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|------------|-----------------------|-----------|--------------------|----------|-------------|
| 1 | Regression | 25.292 | 7 | 17.890 | 18.328 | .0001 |
| | Residual | 34.283 | 29 | .941 | | |
| | Total | 59.575 | 36 | | | |

a. Predictors (Constant) , Environment

b. Dependent Variable: Culture of SME'

Source : Field Survey (2017)

Table (4.13) depicts that the F value ($F = 18.328$; $P < .001$) variation of the model review in combination with ANOVA indicates that the model explains the most potential grouping of variables that contribute to the association with the dependent variable. Since the F quotient is statistical significant even though the variation explained 64% in this circumstance, it should be noted that there may be several variables that could have influenced culture of SME' that need to be studied.

Table 4. 14: Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 3.125 | 1.472 | | 2.863 | .000 |
| EN | .771 | .127 | .158 | 5.870 | .025 |

a. Dependent Variable: EN

Source: Field Survey (2017)

Table 4.14 depicts that the t value in the above model is significant for environment as an independent variable. The sig value (0.025) of beta of the environment (EN) is less than 0.05, the test is significant, the question is accepted which depicts that the effect of environment (EN) on culture of SME' could not be ruled out. Moreover the positive value of beta coefficient witnesses the positive influence of environment on culture of SME'.

4.5 The role of technology on the culture of SME'

The fourth research question indicates the role of technology on the culture of SME', the effect is presented on table 4.15.

Table 4. 15: Technology on the culture of SME’

| Role of Technology | N | Mean | Median | Mode | Std. Deviation |
|---|----------|-------------|---------------|-------------|---------------------------|
| Technology encourages creativity/innovation. | 92 | 3.69 | 4 | 5 | 1.338 |
| Technology contributes to SME’’s overall goals and strategy. | 92 | 3.59 | 4 | 4 | 1.286 |
| Technology improves problem processes. | 92 | 3.61 | 4 | 4 | 1.296 |
| Technology feedback is used to make decisions in my department. | 92 | 3.66 | 4 | 5 | 1.209 |
| Technology encourages us to be self~sufficient. | 92 | 3.64 | 4 | 5 | 1.324 |

Source : Field Survey (2017)

Table 4.15 depicts the results on the role of technology on the culture of SME’. As the results show, the study found that technology encouraged creativity/innovation in SME’s. This assertion is represented by a mean score of 3.69 showing that most of the respondents were in agreement with the same.

The study established that technology feedback is used to make decisions in SME’s, this assertion depicts a mean value of 3.66 indicating agreement among the respondents on this aspect.

The study also revealed that technology encouraged SME’s to be self~sufficient. The mean score of 3.64 also confirms that most of the respondents agreed with this statement.

The study found that the Technology contributed to SME''s overall goals and strategy; this was strongly corroborated with the mean value of 3.59.

During the interview sessions one respondents stated that “ I feel technology has made managing SME’s to be much easier especially on the aspect of financial Transaction, Marketing and Communication this can all be done through our mobile phone thus boosting SME’ productivity”.

The regression model with technology as the moderating variable is presented in the Table 4.16 with Model 1 representing a regression of the technology as the independent variable. The Summary representation reveals that the technology contributes 62% and this contribution is statistically significant.

Table 4. 16: Summary Representation

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------------|-------------|-------------------|----------------------------|
| 1 | .624183713 ^a | . 628561360 | .06295 | 8. 89679 |

Source: Field Survey (2017)

The Model was tested via ANOVA and the value of Adjusted R square. Table 4.16 shows that on average representation provide reasonably good explanation (value of adjusted R square) which is up to 62%. Whereas 4.17 depicts the result of ANOVA test, the sig value is less than 0.05 as well as F value (16) is also significant. The ANOVA result signifies the model fit for Regression.

Table 4. 17: ANOVA

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|-------|
| 1 Regression | 12.292 | 6 | 23.672 | 16.186 | .0001 |
| Residual | 24. 382 | 28 | .816 | | |
| Total | 36.674 | 34 | | | |

a. Predictors (Constant),Growth and Learning Perspectives

b. Dependent Variable: Organizational Performance

Source: Field Survey (2017)

Table (4.17) depicts that the F value (F= 16.186; P <0.001) the variation is highly significant an evaluation of the representation review in combination to ANOVA shows that the representation explains the grouping of variables that contributed to the association with the dependent variable. Much as the F ratio is very significant the variation explains 62% in this perspective, there may be a number of variables that could have influenced culture of SME' that require to be investigated.

Table 4. 18:Coefficients

| Model | unstandardised coefficients | | standardised coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 4. 915 | 3.354 | | 1.867 | .000 |
| TE | 0.344 | 0.089 | 0.077 | 3.874 | .023 |

a. Dependent Variable: OC

Source: Field Survey (2017)

The representation on table 4.18, significance of the t value for technology as an autonomous variable is depicted. The sig value (0.23) of technology (TE) is less than 0.05 which shows that

the test is significant; therefore, question is accepted which shows that there is significant effect of Technology on Culture of SME'). The Culture of SME' is therefore significantly influenced by the technology in SME''s.

The presence of information technologies in SME''s has expanded significantly to a point where there is no organization that can function without these tools. Besides, with this expansion, the accomplishment of every SME relies largely from how well they use information technology in managing information and knowledge resources (Cascio, 2001). Morikawa (2002) established a positive and statistical significant association between information technology and innovation for only small firms. However, ICT is a lower inhabiting factor on innovation of SME' (Mohd and Syed, 2010). Multiple regression analysis was undertaken to recognize the predictors of Culture of SME' as conceptualized in the model a step wise variable selection was employed in the regression analysis and table 4.19 gives the synopsis measure of the model.

Table 4. 19: Culture of SME'– Summary Representation

| Organization | Model | R | Square | Adjusted R square |
|--------------|-------|-------------------------|------------|-------------------|
| SME''s | 1 | .735163132 ^a | .504464831 | .5024 |

Predictors (Constant), Leadership Style, Education, Environment, Technology

Source: Field Survey (2017)

Table 4.19 indicates the specification of the four variables (Leadership Style, Education, Environment and Technology) above representation revealed the capability to calculate culture of SME' ($R^2 = .540464831$). In this model and R^2 value of .5024 denote that 50% of the observed variability in culture of SME' explains the differences in four independent variables namely, Leadership, Education, Environment and Technology.

The goodness fit and reliability of representation was tested via ANOVA and the value of Adjusted R square. Table 4.25 shows that on average model provide reasonably good explanation (value of adjusted R square) which is up to 50%. Whereas Table 4.26 reflects the result of ANOVA test, the sig value is less than .05 as well as F value (28) is also significant showing that ANOVA test is significant. The ANOVA result signifies the model fit for Regression.

Table:4. 20 ANOVA

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|--------|-------|
| 1 Regression | 12.348 | 4 | 3.087 | 28.186 | .0001 |
| Residual | 10.499 | 395 | .02658 | | |
| Total | 22.847 | 399 | | | |

a. Predictors (Constant) , Education, Leadership, Environment, Technology

b. Dependent Variable: Culture of SME'

Source : Field Survey (2017)

Table (4.20) depicts as indicated by the F value (F= 28.186; P <0.001) that the variance is highly significant an assessment in conjunction with ANOVA of the Summary Representation shows that the representation clarifies the most probable combination of variables that contribute to the association with the dependent variable. The F ratio is statistical significant much as the variance is explained at 50% in this context, it should be noted that there may be a number of variables that influence culture of SME' that need to be studied. Based on the results of ANOVA and Reliability test the Regression model may be applied. Linear regression equation adopted was as follows:

$$Y = 3.938 + 0.205 X_1 + 1.024 X_2 + 0.771 X_3 + 0.344X_4 + 0.013\varepsilon.$$

Table 4. 21: Coefficients for predictors of organizational performance

| Organization | models | unstandardised | | standardised | t | Sig | |
|--------------|--------|----------------|-----------|--------------|------|-------|------|
| | | coefficients | | coeffients | | | |
| | | ß | std.error | beta | | | |
| SME''s | 1 | constant | 3.938 | .013 | ~ | 4.178 | .000 |
| | | Leadership | .205 | .108 | .136 | 2.015 | .001 |
| | | Education | 1.024 | .083 | .103 | 8.419 | .004 |
| | | Environment | .771 | .127 | .158 | 5.870 | .025 |
| | | Technology | .344 | .089 | .077 | 3.874 | .023 |

Source: Field Survey (2017)

As depicted in table 4.21 t values in the above representation are statistical significant for four independent variables in SME''s at .001 for LS., ED .004, EN.025 and TE .023 levels. A positive coefficient can be seen in both variables indicating that Culture of SME' is influenced by the selected independent variables.

4.6 Limitations of the Study

Due to the scattered nature of respondents in the area, the respondents hesitated to give information required in good time this prompted the researcher to allow more time for data collection. During the data collection process, some of the respondents were unable to give their responses in good time because some of them were uncomfortable and reluctant with giving the right answers as a matter of confidentiality the researcher endeavoured to assure them of confidentiality through the area chief and elders.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The section gives a review of the research, conclusion, commendation and areas for further research. Conclusions and recommendations derived from the research findings were presented. This chapter ended up by offering suggestions for further investigation as pin pointed by the researcher.

5.1 Summary of Findings

Respondents profile was considered with regard to the bio data whereas the characteristics of the organization were considered in terms of type of industry, ownership, trade status and length of firm existence. Only twelve percent (12%) were between the age brackets of 37. Twenty five percent (25%) of the respondents were between 31~36 years old. Out of the hundred respondents, Thirty five percent (35%) were 25 years or below. respondents were asked for their educational levels and the research shows four percent (4%) of the total respondents were masters 'degree holders. The survey indicates that most of the respondents were diploma holders and they constituted thirty five percent (35%) of the total respondents. About thirteen percent (13%) of the total respondents were degree holders. Also thirty nine percent (39%) of the respondents had their highest qualification being KCSE (Kenya Certificate of Secondary Education) while eight percent (8%) had (Kenya Certificate of Primary Education).

The background information of the SME''s was also collected.. SME's situated at the market place constituted thirty five percent (35%) of the total respondents. SME''s in the mobile shop

business twenty six percent (26%), Hawkers were seventeen percent (17%), Traders were thirteen percent (13%) while tied shops nine percent (9%). Ownership of SME's in Maseno Sub County was dominated by Kenyans by hundred percent (100%). The Trade status depicts that forty four percent of the SME's were registered while forty eight percent (48%) were not registered. Out of the 92 respondents fifty two percent (52%) of them answered that their firms have been in existence for less than 5 years. A simple majority of thirty five percent (35%) had their firms being in existence for more than 10 years. The number of respondents that had their firms existing above 10 years was thirteen percent (13%).

The first research question of this study was derived from the first research objective. In order to get answers to ascertain this research question, the researcher inquired from the respondents the effects of leadership on Culture of SME' of SME''s. The study found that most SME''s seemed to take pride in using their leadership power to help team members grow this assertion is depicted by a mean score of 3.49 showing most of the respondents were in agreement with the same. The study found that management in SME''s made unilateral decisions citing it as a leadership role. This is strongly corroborated with the mean value of 3.36 which also suggests that indeed the agreement among the respondents was high on this aspect. The study also revealed that management of SME's held meetings to get staff input on strategy setting. The mean score of 3.34 also confirms that indeed most of the respondents agreed with this statement. The study found that the management in most SME's consulted with the team when making decisions though maintained the final decision making authority. This is strongly corroborated with the mean value of 3.29 which suggests that most of the respondents were in agreement with this statement.

The role of education on the Culture of SME' of SME''s was the second objective. The findings reveal that, SME's managers talk optimistically about the future with fellow staff. This assertion is represented by a mean score of 3.78 showing that most of the respondents were in agreement with the same. The study found that SME's management helps staffs to develop themselves considering their strengths, this is strongly corroborated with the mean value of 3.51 which also depicts that the agreement among the respondents was high on this aspect. The study also revealed that SME's management considered the consequences of their decisions. The mean score of 3.44 also confirms that most of the respondents agreed with this statement. The study found that the culture of SME's management was to re-examine significant assumptions to solutions whether they were appropriate, this was strongly corroborated with the mean value of 3.37.

On the third research question the respondents had to indicate the effects of the environment on the organization culture of SME''s. The study found that SME's management allowed their staff to set priorities with their guidance. This assertion is represented by a mean score of 3.68 showing that most of the respondents were in agreement with the same. The study established that SME' management allowed staff to implement self-direction since they were dedicated to the objectives of the SME', this assertion depicts a mean value of 3.61 indicating agreement among the respondents on this aspect. The study also revealed that SME's management expected staff to heed directions. The mean score of 3.51 also confirms that most of the respondents agreed with this statement. The study found that the SME's management closely monitored their competitors to ensure there were not left out of business; this was strongly corroborated with the mean value of 3.49.

The fourth research question of this study was derived from the fourth research objective. The respondents had to indicate the role of technology on the Culture of SME' of SME''s. The study found that Technology encouraged creativity/innovation in SME's. This assertion is represented by a mean score of 3.69 showing that most of the respondents were in agreement with the same. The study established that Technology feedback is used to make decisions in SME's, this assertion depicts a mean value of 3.66 indicating agreement among the respondents on this aspect. The study also revealed that Technology encouraged SME's to be self-sufficient. The mean score of 3.64 also confirms that most of the respondents agreed with this statement. The study found that the Technology contributed to SME''s overall goals and strategy; this was strongly corroborated with the mean value of 3.59.

5.2 Conclusion

The study findings on the first objective exhibited that leadership attributes such as encouragement, enthusiasm, intellectual stimulation, idealized influence and individualized deliberation positively related to culture of SME'.

The study concluded based on the findings of the second objective that growth willingness for entrepreneurs was influenced by education directly and indirectly: Further respondents who had furthered their education were likely to have bigger ambitions and an ability of spotting opportunities.

The study concluded on the third objective based on the study finding that SME's' growth and development is anchored on environmental elements such as SME' legal status, infrastructure and registration.

The study concluded based on the study findings of the fourth objective that the presence of information technologies in SME's had expanded significantly to a point where there was no organization that can function without these tools. The success of SME's depends largely on how well it uses ICT to manage its information and knowledge resources.

5.3 Recommendations

The study recommends on the first objective that, SME' owners should consider measures that would entice the participation of employees as this would strengthen their responsiveness and dedication to the achievements of the SME' goals.

The study recommends on the second objective that, beneficial practices values and behavior of successful SME's be disseminated to serve as an informal guide or yardstick that can be very effective in SME' performance.

The study recommends on the third objective that, there is a need to always ensure that the set of mission and goals are within the reach of the SME' owners, the public and the employees.

The study recommends on the fourth objective that, Culture of SME' is dynamic, the researcher recommends that there is need for the residents of Maseno to emphasize the need to fully adopt technology for them to be able to attain economic competitiveness in the region.

5.4 Suggestion for further study

The study therefore suggests that future research be conducted on the elements of Culture of SME' such as mission and vision in relation to organization culture.

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APPENDIX 1: QUESTIONNAIRE

The general intention of this questionnaire is to gather information on the factors affecting Culture of SME' of small scale enterprises in Maseno Sub~County, Kisumu County, Kenya. You have been randomly selected to take part in the study and your response will be used for research purpose only and the information shall be kept confidential.

A. BIO-DATA

1. Gender: Female ☐ Male ☐
2. Age 18 years or below ☐ 19– 35 ☐ 36 – 45 ☐ 46 – 55 ☐ Above 55 []
3. Which industry are you operating? Street retailing ☐ Hawking ☐ Mobile shop business ☐ Market place business ☐ Trading ☐ Tied shop business ☐
4. Ownership. Kenyan~owned ☐ Foreign~owned ☐ Kenyan~Foreign owned []
5. Trade status. Registered ☐ Non~registered ☐
6. How long has your firm been inexistence? 5 years and below ☐ 5 ~10 years ☐ 10 years and Above ☐
7. Highest Educational Level: KCSE or equivalent ☐ KCPE or equivalent ☐ Diploma ☐ Bachelor Degree ☐ Master Degree ☐ Other ☐

B. What are the role of leadership on Culture of SME' of small scale enterprises in Maseno Sub-County

Kindly answer to all questions. The questions are guided by a rating key. The ratings are:

Key: 0=Never 1=One time in 2= Occasionally 3=Moderately 4= regularly.

| | Leadership | 4 | 3 | 2 | 1 | 0 |
|----|--|----------|----------|----------|----------|----------|
| 1. | Management of SME's consults with the team when making decisions on processes. | | | | | |
| 2. | Management of SME's uses meetings to get staff input on strategy setting. | | | | | |
| 3. | Management of SME's seems to take pride in using their leadership power to help our team members grow. | | | | | |
| 4. | Management of SME's reminds us that they will make all decisions because that is a leadership role. | | | | | |
| 5. | Management of SME's asks staff members for ideas and input on upcoming plans. | | | | | |

C. What is the role of education with regard to the Culture of SME' in Maseno sub~County

Kindly answer all questions. The questions are guided by a rating key. The ratings are:

Key: 0=Never 1=One time in 2= Occasionally 3=Moderately 4=regularly.

| | Role of Education | 4 | 3 | 2 | 1 | 0 |
|----|--|----------|----------|----------|----------|----------|
| 1. | SME's stakeholder help others to build up themselves bearing in mind their strengths. | | | | | |
| 2. | SME's stakeholders reconsider decisive assumptions to situations whether they are appropriate. | | | | | |
| 3. | SME's stakeholders talk optimistically about the future | | | | | |
| 4. | SME's stakeholders consider the behaviors consequences of decisions. | | | | | |
| 5. | SME's management dialogues with staff on what has to be done and how best to accomplish it. | | | | | |

D. What are the effects of the environment on the organization culture of small scale enterprises in Maseno Sub~County

Kindly answer to all questions. The questions are guided by a rating key. The ratings are :

Key: 0=Never 1=One time in 2= Occasionally 3=Moderately 4=Regularly.

| | Effects of the Environment | 4 | 3 | 2 | 1 | 0 |
|----|--|----------|----------|----------|----------|----------|
| 1. | Management of SME's does not consider suggestions made by their staff. | | | | | |
| 2. | The culture of SME's is that management closely monitors competitors to ensure we are not left out of business | | | | | |
| 3. | Management of SME's expects employees to exercise self~direction since they are committed to the objectives. | | | | | |
| 4. | Management expects SME's to follow directions and to meet goals that have been set for us. | | | | | |
| 5. | The culture of SME's is that management allows us to set priorities with their guidance. | | | | | |

E. What is the role of technology with regard to the Culture of SME' in Maseno sub~County

Kindly answer all questions. The questions are guided by a rating key. The ratings are :

Key: 0=Never 1=One time in 2= Occasionally 3=Moderately 4=Regularly.

| | Role of Technology | 4 | 3 | 2 | 1 | 0 |
|----|---|----------|----------|----------|----------|----------|
| 1. | Technology encourages creativity/innovation. | | | | | |
| 2. | Technology facilitates the company's overall goals and policy. | | | | | |
| 3. | Technology improves processes that I can fix so I can be more productive within the organization. | | | | | |
| 4. | Technology feedback is used to make decisions in my department. | | | | | |
| 5. | Technology encourages us to be self~sufficient. | | | | | |

THANKING YOU FOR YOUR CO~OPERATION

APPENDIX 11: INTERVIEW GUIDE

1. How does leadership affect the Culture of SME' in Maseno Sub-County
2. What is the role of education with regard to the Culture of SME' in Maseno Sub~County
3. What are the effects of the environment on the organization culture of SME in Maseno Sub~County
4. What are the roles of technology with regard to the Culture of SME' in Maseno Sub~County

APPENDIX 111: WORK PLAN

| Developing and writing a proposal | JULY 2017 | AUGUST 2017 | SEPTEMBER 2017 | OCTOBER 2017 |
|-----------------------------------|--------------|----------------|-------------------|-----------------|
| Collection of Data | | | | |
| Data analysis and presentation | | | | |
| Writing the research report | | | | |
| Project preparation | | | | |

Source: Author (2017)

APPENDIX 1V: BUDGET

| ITEM | AMOUNT | TOTAL |
|----------------------------|-------------------------------|-------------------|
| 1.Statinary | 10 Pens @sh.20.00 | 200.00 |
| | 1 realm of foolscap | 300.00 |
| | 1 flash disc | 1000.00 |
| | Spiral binding,4 copies | 200.00 |
| | Hard binding,3 copies | 2000.00 |
| | Photocopy of literature | 500.00 |
| | Secretarial and printing cost | 8000.00 |
| 2.Internet and Technology | Internet browsing | 2000.00 |
| | Telephone cost | 500.00 |
| 3.Travel and accommodation | Transport expenses | 2500.00 |
| | Accommodation expenses | 3000.00 |
| 4.Administration fee | 10% of total cost | 1970.00 |
| 5.Miscellaneous expenses | Research assistant | 2500.00 |
| TOTAL | | 24, 670.00 |

Source: Author(2017)

APPENDIX V: TABLE OF SAMPLE SIZE FOR FINITE POPULATIONS

| N | S | N | S | N | S |
|-----|-----|------|-----|--------|-----|
| 10 | 10 | 220 | 140 | 1200 | 291 |
| 15 | 14 | 230 | 144 | 1300 | 297 |
| 20 | 19 | 240 | 148 | 1400 | 302 |
| 25 | 24 | 250 | 152 | 1500 | 306 |
| 30 | 28 | 260 | 155 | 1600 | 310 |
| 35 | 32 | 270 | 159 | 1700 | 313 |
| 40 | 36 | 280 | 162 | 1800 | 317 |
| 45 | 40 | 290 | 165 | 1900 | 320 |
| 50 | 44 | 300 | 169 | 2000 | 322 |
| 55 | 48 | 320 | 175 | 2200 | 327 |
| 60 | 52 | 340 | 181 | 2400 | 331 |
| 65 | 56 | 360 | 186 | 2600 | 335 |
| 70 | 59 | 380 | 191 | 2800 | 338 |
| 75 | 63 | 400 | 196 | 3000 | 341 |
| 80 | 66 | 420 | 201 | 3500 | 346 |
| 85 | 70 | 440 | 205 | 4000 | 351 |
| 90 | 73 | 460 | 210 | 4500 | 354 |
| 95 | 76 | 480 | 214 | 5000 | 357 |
| 100 | 80 | 500 | 217 | 6000 | 361 |
| 110 | 86 | 550 | 226 | 7000 | 364 |
| 120 | 92 | 600 | 234 | 8000 | 367 |
| 130 | 97 | 650 | 241 | 9000 | 368 |
| 140 | 103 | 700 | 248 | 10000 | 370 |
| 150 | 108 | 750 | 254 | 15000 | 375 |
| 160 | 113 | 800 | 260 | 20000 | 377 |
| 170 | 118 | 850 | 265 | 30000 | 379 |
| 180 | 123 | 900 | 269 | 40000 | 380 |
| 190 | 127 | 950 | 274 | 50000 | 381 |
| 200 | 132 | 1000 | 278 | 75000 | 382 |
| 210 | 136 | 1100 | 285 | 100000 | 384 |